

SENATE FW&M COMMITTEE AMENDMENT NO. 2

Amendment No. 2 to SB2326

McNally
Signature of Sponsor

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 2326

House Bill No. 2354*

by deleting all language following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the language "ten (10) mills" and by substituting instead the language "two cents (2¢)".

SECTION 2. Tennessee Code Annotated, Section 67-4-1004, is amended by deleting subsection (c) and substituting instead the following:

(c) Any wholesale dealers, jobbers, tobacco distributors, and retail dealers having cigarette tax stamps, affixed and unaffixed, in their possession on July 1, 2007, shall not be required to pay the additional cigarette tax on such stamps resulting from the increase in the tax rate from ten (10) mills to two cents (2¢) on cigarettes bearing such stamps.

SECTION 3. Tennessee Code Annotated, Section 67-4-1005, is amended by deleting the language "six and six-tenths percent (6.6%)" and by substituting instead the language "thirteen and two-tenths percent (13.2%)".

SECTION 4. Tennessee Code Annotated, Section 67-4-1025, is amended by adding the following language as a new subsection (d):

(d) Notwithstanding the provisions of subsections (a) and (b) of this section to the contrary, all tax revenue generated from the increase in tax rates, effectuated by Sections 1 and 3 of this act, shall be deposited in the education trust fund created by title 49, chapter 3; provided that, an amount of twenty-one million dollars (\$21,000,000) of such increased tax revenue shall be allocated to the department of agriculture's Tennessee agriculture enhancement program.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or

applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 6. This act shall take effect on July 1, 2007, the public welfare requiring it.